



**ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION**

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BULLETIN 1-00

February 10, 2000

TO: ALL LICENSED HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS,
THIRD PARTY ADMINISTRATORS, LIFE INSURERS AND PROPERTY AND CASUALTY
INSURERS

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: ADOPTION OF RULE AND REGULATION 43, "UNFAIR CLAIMS SETTLEMENT
PRACTICES," EFFECTIVE DATES: March 1, 2000 for all provisions of this rule except for Sections
VI. B. 2. and VI. C. 2. which shall be effective on July 1, 2000.

The Department has adopted Rule and Regulation 43, "Unfair Claims Settlement Practices".

After the mailout to the industry last December, and following the Department's Public Hearing on the Rule and Regulation held on December 14, 1999, at our Little Rock Offices, the only major changes to this Rule we made at final adoption are:

- In Rule 43, Section IV., regarding the date in which Rule 43 will go into effect, the date of March 1, 2000 was replaced with "March 1, 2000 for all provisions of this rule except Sections VI. B.2. and VI. C.2. which shall be effective on July 1, 2000."
- Under Section V. M., in the definition of "health insurer," the definition now includes "self-insured church plans and governmental plans."
- Under Section V. P., under the definition of "clean claim," the previously proposed section (2) which provided an exception to the definition of a "clean claim" as "a claim which requires the Health Care Plan-Health Care Insurer or Health Maintenance Organization to obtain additional information from an outside source to initiate claims processing," has been replaced with the following language: "(2) a claim which requires the Health Care Plan-Health Care Insurer or Health Maintenance Organization to obtain additional information from a provider or Health Care Claimant to initiate claims processing."
- Under Section V. P. (1), in the definition of "clean claim," which previously stated: "(1) a claim which is not received by the Health Care Plan Health Care Insurer or Health Maintenance Organization within twenty (20) thirty (30) calendar days after the date of treatment by the medical provider or facility," has been replaced with the following language: "(1) a claim which is not received by the Health-Care Plan Health_Care Insurer or Health Maintenance Organization within twenty (20) forty-five (45) calendar days after the date of treatment by the medical provider or clinic, or, if incurred in a hospital or facility, after the date of discharge."
- Under Section VI. B. 1. A. (3) and Section VI. C. 1. A. (3), the following provision was added: "(3) A Health Care Insurer shall notify the Health Care Claimant of the benefit determination in writing within seventy-two (72) hours after receipt of a Health Care Claim which meets the standards of an urgent care claim under Section 5. (r) of this rule."

A copy of the revised final rule is available on the Department's web site at www.state.ar.us/insurance or call (501) 371-2820.

(signed by the Commissioner)

Mike Pickens
Insurance Commissioner
State of Arkansas